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# Accreditation Discrimination in the Contexts of Business Schools and Colleges: Concerns and Challenges For Administrators and Scholars

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# Academic Leadership Journal

## Introduction

Academia is losing both its appeal and prestige as declining morale among current and future or prospective academics is being further eroded by several factors. One of these factors is accreditation, which was originally designed and developed to facilitate reputation building through the implementation and application of quality assurance principles and standards across institutions. In any society, the type of political order and social system which exist will certainly affect education as a process and institutional agent. American capitalism as such, has had both desirable and undesirable effects on educational institutions, especially at the level of the university and college or in higher education. Academia has been highly influenced by capitalism in its approach to progress and one of the main factors exerting influence is the concept of self-interest as part of freedom under a democratic system built on a market mechanism where the profit maximization motive holds such strong sway over education, which is a public good. Springing forth from the self-interest and profit motives, private accreditation has grown tremendously as an industry and practice to affect schooling and contribute to the development of what McFarlane (2010a) calls a "School Economy". The development of the School Economy with the conception of private accreditation is a justifiable argument and expectation because when a public good must receive its stamp of approval and quality management and control from private agencies with private interests and profit motives, then the utilitarian affect which drives collective endeavors becomes easily eroded, especially as competition for common and uncommon resources increases and the ability to make more profits motivates a new industry to strive out of that public good. Such is the case with education and accreditation. Private accreditation creates a chasm between perceived value and actual results and warps the instrumental value that education should hold for individuals and society.

The School Economy striving out of the demand for knowledge, credentials, training and certification has fueled the growth and legitimizes the accreditation industry in so much that educational pursuits or studies without the stamp of private accreditation has been rendered useless, even when such is a vocation. According to McFarlane (2010a) "making education into a "product" in capitalist economies has become big business from which companies earn millions of dollars annually" (p. 39) and this is where private accreditation is truly big business and the growth of accrediting agencies over the past three decades has aptly demonstrated that the market for education and accreditation are complements. While some form of quality assurance and standard regulation is good, in the hands of private agencies in accreditation has severely damaged the non-commodity value of education for scholars and academics whose souls and lives are devoted to learning in the broadest sense. The higher education industry in the United States which seems more restrictive and specialized than elsewhere has been a contributing factor to the development of what McFarlane (2010b) calls accreditation discrimination. Like any private businesses accreditation agencies must compete aggressively against each other and this competition means developing brand reputation and image. In fact, accrediting agencies compete aggressively on the S-Q-I-P factors proposed by Johnson and

Weinstein (2004); that is, on the factors of perceived service, quality, image, and price. When schools decide to pursue accreditation all of these factors are taken into consideration. They must consider whether or not they can afford accreditation, and accreditation is an expensive venture which many schools simply cannot afford and those that are able to afford accreditation cannot pay the price for regional or other forms of accreditation. For example, some schools would seek accreditation, but are limited by price factor as to whether they are able to afford regional or national accreditation, while others simply are small scale operations that must simply function under state approval and licensing or “accreditation” by small “unrecognized” agencies. In addition to the price factor, the perceived service value that comes with the accreditation and accrediting agency engagement is also considered. Most importantly after price consideration or affordability has been established, schools focus on the perceived image and quality from the perspective of the accrediting body’s reputation and recognition to the perceived image and quality such accreditation will create in the minds of competitors and students or customers including employers and other stakeholders. This is the case with accreditation, especially in the business field where traditionally, competition or a shared market of client institutions among the Association to Advance Collegiate Schools of Business (AACSB), Accreditation Council for Business Schools and Programs, formerly the Association of Collegiate Business Schools and Programs (ACBSP), and International Assembly for Collegiate Business Education (IACBE) in the United States has contributed to the creation of, and practice of accreditation discrimination.

### **Business School and College Accreditation in the United States**

Business schools and colleges are contributing tremendously to the development of the national and global economies through innovative programs and training. They are extremely dominant in the development of effective knowledge leaders and knowledge workers who steer 21<sup>st</sup> century progress (McFarlane, Mujtaba, & Cavico, 2009; McFarlane, 2008). This is because business schools and colleges are “a major force, both as globalizing influences and trend setters in value and industry practices” (Cavico, Mujtaba, & McFarlane, 2010, p. 5). The impact of business schools and colleges on the national and global economies is cited by Cavico, Mujtaba and McFarlane (2010) in the sheer millions of graduates earning business degrees at all levels annually in the United States and across the globe, and the fact that thousands of professors and corporate experts, knowledge workers, and entrepreneurs in various branches of business striving out of national and global business schools and colleges annually develop and promote new ideas and build upon old models to contribute to fuller and more progressive understanding and practices in leadership, governance, administration and industry production and distribution, as well as marketing processes. They are responsible for shaping production, finance, investment, distribution, operations, marketing and consumerism in the nation and across the globe. Thus, business schools and colleges are leaders in value creation, progress and survival. Given the need for business training and education in a globalizing economy hundreds of business schools, colleges, and programs become operational each year and the need for accreditation or quality assurance for these new schools, colleges, and programs is a reality of the current School Economy school model and global education industry.

In the United States accreditation is especially important in higher education because of the opportunities for misuse and abuse present within capitalist democratic enterprise and the need for higher standards of education and training across industries. Furthermore, enrollment and graduate statistics show that business as a field of major and the number of bachelors degrees conferred surpasses all other fields including the social sciences and history, education, and the health

professions (U.S. Department of Education, National Center for Education Statistics, 2009), and this trend will not change anytime soon as more and more individuals are becoming entrepreneurially motivated and seek to develop economic and business savvy to secure material possessions and survive in an increasingly competitive and changing world. Every individual must depend on some form of business know-how or skills to live and survive in the 21<sup>st</sup> century and business schools and colleges are capitalizing on this present era of growth opportunities and innovation to transform themselves, and in the process must develop competitive advantage to remain in a volatile market. Accreditation becomes a key factor in the bid by business schools and colleges to develop and implement effective strategies to deal with industry competitive forces identified by Porter (1980). Private accreditation agencies must market themselves competitively and aggressively against each other in order to capture a significant share of the market for business school and college accreditation in order to remain profitable and competitive. Thus, they develop image of high quality and value and present unique value propositions as part of the value creation and customer value process (Johnson & Weinstein, 2004). Three of the most successful agencies in the United States that have effectively capitalized upon the demand and growth for business education and training and the growing market of business schools, colleges, and programs are the Association to Advance Collegiate Schools of Business (AACSB), Accreditation Council for Business Schools and Programs (ACBSP), and International Assembly for Collegiate Business Education (IACBE). Among these three agencies, AACSB is currently regarded as the “Gold Standard” because it has managed to market itself effectively and through successful marketing communications and branding strategies has higher perceived service, quality and image than both the ACBSP and IACBE.

### **Association to Advance Collegiate Schools of Business (AACSB)**

The Association to Advance Collegiate Schools of Business (AACSB) is one of the three major business schools, colleges, and programs accrediting brands in the United States and the most prominent and sought after among business education accrediting bodies. According to AACSB.edu (2010a) AACSB International was established in 1916 as a membership organization for business schools; a place where business schools could network and discuss issues that affected the business education industry and their institutions. In 1919 AACSB adopted its first Accreditation Standards with the primary objective of improving collegiate business education and then about 60 years later, in 1980, developed an additional set of accreditation standards for undergraduate and graduate-level degree programs in accounting to address the special needs of the profession (AACSB.edu, 2010a). According to AACSB, the organization has since then revised its standards numerous times to keep up with the changing needs of business programs, institutions, and students.

The standards established by AACSB are designed to focus attention on key success factors for schools and students and include the business school's mission, operations, faculty qualifications and contributions, programs, and other critical areas (AACSB.edu, 2010b). Details on the accreditation process and description of standards can be found on the AACSB website. According to the AACSB, as of July 2010, there were 596 accredited member institutions with a total of 37 countries represented by AACSB-accredited schools. Further breakdown of that number points to the following statistics: (i) 47 institutions have undergraduate programs only (8% of accredited members); (ii) 52 institutions have graduate programs only (9% of accredited members); (iii) 173 institutions have AACSB's additional accounting accreditation; (iv) 497 institutions have both graduate and undergraduate programs, which is 83% of accredited members (AACSB.edu, 2010b, p. 1). AACSB accreditation staff currently

includes an executive vice-president and chief accreditation officer, assistant vice president for accreditation, a senior accreditation manager, several accreditation managers, coordinators and administrative associate for accreditation.

The AACSB process is not only rigorous, but time consuming and expensive and those institutions possessing AACSB accreditation do charge a premium for their business programs and degrees. This is reflective of both time investment and the cost of the “Gold Standard” of business accreditation as some faculty and administrators across colleges and universities of business describe AACSB accreditation. AACSB has developed its reputation through an effective marketing mix and a combination of historical factors, and the prior reputation held by the institutions that it accredits. The AACSB accreditation process is similar to the approach taken by most accrediting agencies or bodies including national and regional institutional accrediting agencies. AACSB.edu (2010c) provides a summary description of the steps in the process:

The AACSB Accreditation Process includes rigorous self-evaluation and peer-review elements. The process begins with the submission and approval of an Eligibility Application. Once a school's Eligibility Application has been approved, it will enter the PreAccreditation phase. If a school is able to meet all of AACSB's Accreditation Standards and completes the PreAccreditation requirements, it will be recommended for Initial Accreditation. All AACSB-accredited institutions must enter the Maintenance of Accreditation process every five years (p. 1).

The AACSB International is becoming more and more prominent, especially with schools in the United Arab Emirates and some parts of Asia, mainly American-influenced and educational subsidiaries that operate in the global education industry. The possibility of trans-accreditation has become a viable port for promoting AACSB as a global standard for business accreditation as many American colleges and universities establish satellite campuses around the globe and must go by the standards of AACSB accreditation even when operating in many overseas areas lacking private accreditation and which are only under the charter of centralized education ministries. Many foreign schools and colleges are and have also become AACSB followers.

### **Accreditation Council for Business Schools and Programs (ACBSP)**

The Accreditation Council for Business Schools and Programs (ACBSP) was formerly known as the Association of Collegiate Business Schools and Programs. The ACBSP was founded in 1988 and was created by its members to fulfill a need for specialized accreditation by institutions of higher education with business schools and programs (The ACBSP Gateway, 2010a). The mission of ACBSP is to promote continuous improvement and recognize excellence in the accreditation of business education programs around the world, and its vision is to accredit every quality business program worldwide. ACBSP describes itself as a leading specialized accreditation association for business education supporting, celebrating, and rewarding teaching excellence and which embraces the virtues of teaching excellence and emphasizes to students that it is essential to learn how to learn, while acknowledging the importance of scholarly research and inquiry and believing that such activities facilitate improved teaching (The ACBSP Gateway, 2010a). ACBSP views faculty involvement in the contemporary business world as a critical factor in enhancing the quality of classroom instruction and student learning experiences.

According to The ACBSP Gateway (2010a), ACBSP had its beginning in Kansas City, Missouri on

April, 28, 1988, when representatives of more than 150 business schools and programs met to consider possible alternatives for external accreditation of their business programs. Based on the formation of a board of members and the findings of over a 12-month study by a study group, ACBSP, the Association of Collegiate Business Schools and Programs, a new accrediting organization for business schools and programs was created, with a primary emphasis directed toward fostering excellence in teaching. ACBSP gained recognition from the U.S. Department of Education in August 1992 as a specialized accreditation agency for business education, and this lasted until 1996 due to changes in federal funding being based on regional or institutional rather than programmatic accreditation.

ACBSP has undergone several changes over the past decade and a half to include the implementation of a new initiative called “Better Than Ever” in 2003 which was designed to change the way services are delivered to member institutions and corporate members, the development of ACBSP Gateway, a brand new website in 2004, the approval of a new strategic plan with new mission and vision statements and expansion into Canada, the approval of plans for separate standards in accounting in 2006, the development of a Rebranding Initiative in 2008, the creation of a new regional organization for Latin America called The Latin American Council of Business School and Programs in 2009; comprising of members in Mexico, Central America, and South America to increase its membership to nine regions, representing 44 different countries, and the adoption of the new name Accreditation Council for Business Schools and Programs after voting by its Board on a name change in 2010 (The ACBSP Gateway, 2010a). According to ACBSP, as of August 2010, the Accreditation Council for Business Schools and Programs (ACBSP) has 828 member campuses, 134 of which are located outside of the United States with 529 having achieved accreditation and more than 220 in candidacy for accreditation, and an individual membership roster exceeding 8,000.

The ACBSP is governed by a Board of Directors consisting of a president, president-elect, secretary, treasurer, at-large members, commissioners, public member, and staff. Board of Commissioners govern degree accreditation and are comprised of a chair, chair-elect and several members of the commission, including a public member and several ACBSP staff members. The staff of ACBSP reports to the Board of Directors and serves the needs of each Board of Commissioners and the membership at large (The ACBSP Gateway, 2010b). ACBSP accredits all business programs at all degree levels such as associate degrees in accounting to doctorate degrees in management. According to The ACBSP Gateway (2010c) “accreditation by ACBSP is based on an independent evaluation of an institution’s business school or program by a group of professionals, which include faculty and academic administrators in the field of business” (p. 1). ACBSP uses an Outcomes Assessment process in determining program and institutional qualifications for accreditation.

### **International Assembly for Collegiate Business Education (IACBE)**

The International Assembly for Collegiate Business Education (IACBE) is a third popular business schools, colleges, and business education program accrediting agency operating in the United States and competing vibrantly for the market with AACSB and ACBSP. The IACBE is an international educational accreditation agency for college and university business programs and is described as “a premier professional accrediting organization for business programs in student-centered colleges and universities throughout the world” (IACBE.org, 2010a, p. 1), and which exists to promote, develop, and recognize excellence in business education. The IACBE believes that academic quality and excellence

in business education should be measured in terms of the overall level of performance of an academic business unit (department, division, school, college of business, etc.) relative to its mission. The mission of IACBE is to promote and recognize excellence in business education in institutions of higher education worldwide, at both the undergraduate and graduate levels, through specialized accreditation of business programs, and its vision is to be a leader in mission-driven and outcomes-based programmatic accreditation and to be the business accrediting body of choice for teaching-oriented institutions of higher education worldwide (IACBE.org, 2010b, p. 1).

The IACBE accredits business programs that lead to degrees at the associate, bachelor's, master's, and doctoral levels in institutions of higher education worldwide and accomplishes this through seven functions that have been developed to meet its mission and vision: (i) recognizing high-quality business education by granting specialized programmatic accreditation; (ii) developing and promulgating sound educational principles and practices for the accreditation of business programs; (iii) maintaining regional and international centers to represent the Assembly and its members worldwide; (iv) collecting and disseminating information about business education throughout the world; (v) supporting worthy projects and research in business education; (vi) sponsoring meetings, conferences, workshops, and symposia that foster excellence in business education; and (vii) engaging in activities that enhance and promote the study of collegiate business education and that apprise the public of its value, scope, and character (IACBE.org, 2010b).

The International Assembly for Collegiate Business Education (IACBE) was founded in 1997 in response to the expressed needs of presidents, chief academic officers, and heads of academic business units who wanted an accreditation process that was mission-driven and outcomes-based (IACBE.org, 2010c). IACBE uses its "Accreditation Philosophy" as the basis for assessing institutions and programs seeking accreditation membership in the organization. IACBE focuses on value of resources to the stakeholders of the academic business unit and its parent institution in terms of their ability to perform, i.e., their ability to produce measurable results or outcomes pertaining to actual student learning, operational effectiveness, and mission achievement. In addition, IACBE views academic quality as a key requirement for eligibility for accreditation, emphasizing that the overall level of performance of the academic business unit in the context of its mission as measured by the extent of accomplishment of the unit's intended student learning and operational outcomes and its mission and broad-based goals communicates academic value as an accreditation criteria (IACBE.org, 2010c).

Basing its accreditation review on standards rather than principles, IACBE sees factors such as adequate quantitative and qualitative levels of human, financial, and physical resources as essential in determining academic quality and operational effectiveness, along with the overall quality of education being highly dependent on the educational processes used by the academic business unit to convert those resources to outcomes. These include such processes as teaching and other faculty interactions with students; faculty development and scholarly activities; curricular review and enhancement; and strategic planning. The process of IACBE accreditation of business programs proceeds in the following four stages: (1) the academic business unit becomes an educational member of the IACBE; (2) the academic business unit becomes a candidate for accreditation; (3) the business programs offered by the academic business unit undergo an accreditation review; and (4) the IACBE Board of Commissioners determines the accreditation status of the academic business unit's business programs (IACBE.org, 2010d).

IACBE is overseen by a Board of Directors which includes board officers, regional directors, at-large directors, public members, and an ex-officio member. IACBE has a Board of Commissioners which appoints a non-voting, ex-officio Secretary of the Board and which consists of board officers, commissioners from accredited membership institutions, public members, and ex-officio member and secretary. IACBE has a President's Council which is composed of the President of the IACBE and past chairs of the Board of Directors and Board of Commissioners. The purposes of the council are (i) to review the IACBE's overall effectiveness in advancing its mission, (ii) to seek ways to add value to the IACBE's academic business unit members, their parent institutions, the higher education community in general, and the public at large, and (iii) to engage in activities that enhance the IACBE's ability to support and carry out the organization's accreditation activities (IACBE.org, 2010e). IACBE has a President's Advisory Board whose purpose is to: (i) review the IACBE's overall effectiveness in advancing its mission, and (ii) seek ways to add value to the IACBE's academic business unit members, their parent institutions, and the higher education community in general, and the public at large. Finally, the company has several regional assembly officers and staff members. IACBE has over 200 members and accredited members worldwide.

### **Accreditation Discrimination Among Business Schools and Colleges**

According to McFarlane (2010b) accreditation discrimination results from the factors of competition, differential conceptions of quality and expectations of educational standards, costs, perceived benefits, lack of centralization in accreditation and school approval, traditional versus online schooling and education among other factors as perceived by individuals based degree value and the significance and understanding of accreditation. In addition, human tendency to discriminate based on observable differences is a major factor that leads to accreditation discrimination in business schools and colleges as decisions are made based on rubber stamp procedures as to what constitutes quality and value on a superficial level. The three accrediting agencies described above that accredit business schools, colleges, and programs throughout the United States and around the globe all have their strong points. In addition, each has sound principles, leadership, and quality control and assessment mechanisms for accreditation. The differences between their value and quality are hence only perceptions and based on competitive strategies and tactics and the desire of a few to assert their educational credentials as more valuable than those of their fellow beings and those they see as "competitors" rather than as colleagues in the academy.

While the AACSB has a deep and long history which authenticates its practices and methods of ensuring quality and is also known as a rigorous and stern accrediting agency, the ACBSP is a very strong accrediting agency with policies, principles, and procedures that are presented in a more detailed and succinct manner. The mission and vision of ACBSP compared to those of AACSB reflect both broader scope and understanding of higher education as a process of research and teaching excellence and with an implied deeper focus on students tied into its written mission and vision. The differing degree to which these are activated in both organizations as part of the assessment and monitoring process is not certain. However, the ACBSP has only been around for a little over 20 years or less than three decades versus the AACSB which has been around since 1916 or almost a century. Thus, historical factors must be a part of the prominence and brand quality perception of AACSB versus its two dominant competitors, the ACBSP which was founded in 1988 and the IACBE which was founded just a little over a decade ago (1997). The IACBE has a well formulated mission and expansive leadership across the board and its accreditation philosophy is both innovative and



considerate of change and the complexities and demands of 21<sup>st</sup> century global economy problems and challenges. After examining each agency and recognizing that AACSB has an advantage, which might stem solely from perceived factors and its historical existence as a “first mover” in the now very mature business programs sector of the accreditation industry, there is no doubt that the impact and role of tradition is therefore a critical factor that contributes to the kind of accreditation discrimination that individuals experience when searching for professional opportunities in institutions, particularly universities and colleges with their business degrees.

According to McFarlane (2010b), accreditation discrimination “refers to discrimination resulting for individuals simply because their educational credentials or academic degrees and qualifications are accredited or not accredited by a specific agency or agencies” (p. 1). This is especially the case when it comes to academia and the opportunities available to business graduates for further studies and scholarships through admissions to business programs that are AACSB accredited in the United States, and to prospective and developing faculty candidates who hold non-AACSB accredited degrees. An extensive search and study of faculty jobs advertised in The Chronicle of Higher Education, on HigherEdJobs.com, and on individual university websites shows that the practice of accreditation discrimination by business schools is rampant and prevalent, especially among AACSB-accredited business schools and colleges that use exclusive language in their advertisements regarding degree accreditation. Several examples taken from these sources are provided in *Table 1* to demonstrate this kind of discriminatory practice being used by colleges and universities against individuals who are graduates of non-AACSB accredited business schools and programs. These 10 examples of faculty openings demanding only AACSB accredited degrees are just few of the many colleges and universities engaging in this narrow practice of valuing scholarship and candidates’ ability based solely on accreditation. The use of phrases such as “are expected to have”, “must have”, “must be AACSB accredited” and the like demonstrate that such institutions or their business programs administrators and chairs are catering to an “exclusive club” or group of people. The fact is that there are hundreds of business schools that are reputable and great schools that are not accredited by AACSB, but accredited by IACBE, ACBSP, or other bodies. Thus, when colleges and universities engage in this narrow-minded practice of limiting recruiting efforts to AACSB graduates and business degree holders it reflects a silent conspiracy in academia and academicians and higher educational leaders are not addressing and do not want to talk about the issue.

**Table 1**

*Examples of Accreditation Discrimination Practices by AACSB-Accredited Schools & Colleges*

Many individuals have spent years studying, researching, and publishing, as well as years as business leaders and practitioners and upon earning their academic graduate degrees in business pursue their dreams of joining college

Advertised Faculty Vacancy	Minimum Requirements
Assistant Professor of Management	Doctorate in Management, Business Administration, Leadership or closely related field with a minimum of 18 graduate hours in specialization, preferably from an AACSB accredited institution.
Distinguished Professor of Management	The successful candidate will have an earned doctorate from an AACSB accredited program.
Assistant Professor of Project Management	Ph.D. or DBA from a traditional, AACSB accredited College of Business
Assistant or Associate	An earned doctorate in a Management-related discipline, from an

and university business schools and programs as faculty members. When practices reflective of the above examples by institutions deprive hardworking and productive individuals of the opportunity to contribute to the development of ideas and scholarship in the field, it is an affront to academia and the entire idea and concept of education and the university, and an obstacle to academic diversity philosophy and practices.

Professor in Management	AACSB-accredited institution, is required for appointment.
Assistant Professor in Finance-Business	Ph.D. or D.B.A. with specialization in Finance from an AACSB-accredited.
Assistant or Associate Professor in Operations Management	The ideal candidate will possess a Ph.D. in Operations Management or Supply Chain Management from an AACSB accredited program.
Assistant or Associate Professor in Marketing	Doctorate in Marketing from an A.A.C.S.B. accredited institution or ABD in the final stages of dissertation completion.
Assistant or Associate Professor in Management	Candidates must have an earned doctorate in Management or a closely related discipline from an AACSB and regionally accredited institution by the time of appointment.
Assistant Professor of Management	Ph.D. or DBA in Management or related field from an AACSB accredited (or equivalent) university.
Assistant or Associate Professor for Management	Successful candidate is expected to have a terminal degree in Management from an AACSB accredited University.

Globalization has not only transformed our definitions of quality and value, but has placed us on a global stage with brilliant and genius players striving out of institutions around the globe, and some of these institutions without specialized accreditation have produced some of the greatest thinkers and theorists in management, leadership, and across business industries. The European business schools and colleges should be particularly noted here because some of them have a historical rigor which schools with AACSB accreditation can neither create nor develop as part of their cultures. There are several business accrediting bodies in Europe that are operating globally and well-known for quality and are well-recognized. These include EQUIS (European Quality Improvement System), the world's leading international accreditation for business schools with a leading international system of quality assessment, improvement and accreditation of higher education institutions in management and business administration; and the Central and East European Management Development Association (CEEMAN), which mainly accredits European business colleges and schools, but is becoming a global accreditor. Thus, for AACSB accredited institutions to discriminate the way they do reflect narrow-mindedness in practice and conception of academia, and erodes the true essence of progress as one built on differences and change.

### **Causes of Accreditation Discrimination Among Business Schools**

The practice of the kind of accreditation discrimination, a blatant form of academic-educational and intellectual discrimination described as an issue with business schools and colleges, especially AACSB-accredited business schools stems from a clinging to tradition as well as the efforts of a group of prima donnas at the helm of business colleges and schools or business program departments who feel that they must somehow protect and vouch for the quality of their institutions by denying that quality and high standards are present in other colleges and schools of business or universities that are accredited by ACBSP, IACBE or other business program accrediting bodies. Furthermore, it reflects a long standing curse of academia that fundamentally narrows into an "in-group" or a "club membership" circle which is perpetuated by such practices with no clear moral or legal grounds for condemnation.

In researching the issue first-hand through phone interviews and written requests, the author of this

paper sought to ascertain the perspective of faculty and administrators at AACSB and non-AACSB accredited institutions, as well as contacted staff or other personnel in the accrediting agencies. One of the major questions posed to the AACSB, seeing that the practice of accreditation discrimination against individuals is most prevalent among its accredited institutional members was: "Does AACSB encourage education-accreditation discrimination?" The response from the organization is that AACSB has no policy that requires or limits AACSB accredited schools to recruit faculty and staff with degrees only from AACSB accredited schools. The same policy was communicated by other agencies and it was communicated that decisions on setting the expectations for educational background for faculty and other positions in these business schools and colleges are up to their administration and search committees. AACSB asserts that accredited members can include non-AACSB and AACSB faculty in their departments or programs. The two other agencies, ACBSP and IACBE do not have a problem when it comes to accreditation discrimination practices by their accredited member institutions. For example, in an advertised vacancy by an ACBSP accredited Business College for an Assistant Professor of Management, the minimum requirement was listed as, "PhD or DBA preferred, or ABD near completion considered from university accredited by AACSB, ACBSP or equivalent". Despite being accredited by ACBSP, this institution recognizes the viability and value of other accredited business accredited programs, agencies, institutions and degrees. AACSB schools and colleges or departments of business and accounting are not engaged in the same practice, but set themselves as unique and above all others.

While the practice is widespread in business schools and colleges or programs accredited by AACSB, the organization has asserted that its policies in no way require, imply, or explicitly require the practice of hiring or recruiting only AACSB degree holders as faculty or administrators with faculty ranks. However, the practice is suspect as one stemming from interpretation or application of AACSB accreditation standards and principles, perhaps as a misinterpretation or misapplication of guidelines by AACSB accredited institutions. Whatever may be the case, it is a growing problem that causes frustration and resentment on the part of individuals and non-AACSB accredited institutions, and as McFarlane (2010b) asserts, affects school choice, education costs, and professional prospects of graduates, especially those who aim to become professors or educators in the academy. This practice is not only a narrow-approach and practice by AACSB accredited institutions in identifying and recruiting talent, but points to a lack of intellectual and academic diversity and a concerted effort to undermine other accrediting bodies and individuals not inside the AACSB club.

Traditionalism or Traditionism is a contributing factor in the accreditation discrimination practice of AACSB accredited institutions against individuals holding their business degrees and qualifications from non-AACSB schools. This is reflected in the question asked by a business program chair from a traditional and AACSB accredited college: "Can you name a reputable College of Business that grants Ph.D.'s which is not accredited by the AACSB?" The answer to this business program chair's question is that there are many in the United States and hundreds if not thousands worldwide. If such individuals with a narrow approach to defining reputation and quality are responsible for the leadership of business programs, it perhaps explains why even AACSB accredited colleges and schools of business are failing to produce graduates with the right attitudes and skills needed to meet the many problems and challenges that organizations and leaders of corporations must address in the global economy of the 21<sup>st</sup> century. There is no doubt that AACSB is a good accreditation and great agency, but the practice of accreditation discrimination and "prima-donnaism" by its member institutions and graduates must be discouraged. Colleges and universities as well as their graduates must be evaluated on an individual

basis for their unique strengths and potential, rather than solely based on type of accreditation, and in this case rather than solely on whether they are AACSB, IACBE, ACBSP, EQUIS or otherwise accredited. If business accrediting agencies were racial groups, then AACSB accredited members' discrimination against graduates and members of IACBE and ACBSP would be considered racism. In the same light, accreditation against individuals and institutions of business based on these should not be tolerated, encouraged or embraced.

### **The Negative Impact of Business Programs Accreditation Discrimination**

The differences in perceived quality and value by different stakeholders and the competitive strategies that schools and accrediting bodies use to differentiate themselves and develop competitive advantage or gain competitive edge in the education marketplace are negatively impacting the state and progress of education at both the individual and broader societal or collective levels. The most significant impact of accreditation discrimination or discrimination stemming from accreditation is seen in school choice, education costs, and professional prospects of graduates, especially those who aim to become professors or educators in the academy (McFarlane, 2010b). Discrimination by AACSB accredited schools and colleges of business against individuals holding their business credentials from IACBE, ACBSP and other accredited business schools is a highly unethical and unfair practice despite several AACSB institutions and AACSB staff members and representatives asserting that such institutions have the right to engage in such a practice. It is gravely affecting progress and dynamics in academia and reflects narrow-mindedness in a global economy where diversity in outlook and value and quality definitions are parts of the industry globalization drivers (de Kluyver & Pearce II, 2009), whether we are looking at education or any other industry.

When institutions such as those whose advertisements for faculty vacancies are featured in *Table 1* continue to promote such a practice, they are not able to fully tap into the global talent market and will eventually develop a very limited outlook from both a pedagogical and philosophical perspective. They will not take full advantage of the diversity of intellect, education, and training in improving the teaching and learning process, will miss the opportunity to recruit individuals with different perspectives on innovation, change, and globalization, and will be the last to adapt to change as a factor of innovation and survival. Such institutions are too cemented in a traditional inner-circle of like-ones where they will potentially miss the opportunity to recruit experts and exceptionalities in subject disciplines and thinking. The fact is that accreditation discrimination is a diversity-averse and micro-intellectual practice that only perpetuates tradition for those who are misled in the belief that accreditation means quality and value rather than looking to individual uniqueness as a source of innovation and progress.

### **Conclusion and Implications**

Accreditation discrimination is a very prejudiced practice by those institutions that are demanding that individuals with regionally accredited degrees in business earned those degrees from schools that are accredited by a specific agency, and the refusal to consider and make available teaching, research, and administrative opportunities to individuals with differing business accreditation from that which accredits their institutions. Accreditation discrimination of this type is not only a narrow-minded and discriminatory practice; it negatively impacts academic and intellectual diversity and freedom and creates a cultic following for certain accrediting agencies or associations. Currently, this cultic following is reflected in the practice of AACSB accredited institutions recruiting only AACSB degree holders.

The AACSB cult and other accreditation cults will only disappear for real academics to progress when accreditation discrimination practitioners recognize that accreditation is not synonymous with quality as a perceived factor in assessing value. As McFarlane (2010b) remarks:

Quality like the concept of “Free Enterprise” has become a “Free” word synonymous with “Accreditation” as far as modern education in the form of “training” at majority institutions is concerned. The stamp of accreditation is often misperceived and misinterpreted as “quality inherent” in many schools, colleges, and universities. However, this is far from the fact because accreditation like any modern industries caught in the grip of Capitalism is just another profit maximizing and monetarily-engaged industry (p. 1).

Discrimination against individuals in the United States that is based on almost every natural and created attributes is illegal, and an institution or agency encouraging or setting policies that encourage or promote any form of discrimination by its members is acting contrary to individuals’ rights, entitlements, privileges and well-being, and in so doing, is violating charters of rights under Constitutional and other legal frames. Thus, if any accreditation agency is engaging in such practice, that is, encouraging or supporting its accredited members to discriminate against individuals by depriving them of opportunities based solely on the differential accreditation of legitimate, accredited, and licensed school they attended, then that should become grounds for legal action and the U.S. Department of Education and other agencies of interest must look into such practices.

AACSB accredited institutions have no right or good rationale for excluding or barring non-AACSB degree holders from faculty positions and opportunities. The narrow-minded practice of accreditation discrimination discussed in this paper is not limited to business schools and colleges and their accreditation agencies, but also occurs on a broader level with, in, and between regional and national agencies such as the six regional accrediting agencies in the United States. For example, SACS (Southern Association of Colleges and Schools), and the national agencies such as ACICS (Accrediting Council of Independent Colleges and Schools) and DETC (Distance Education and Training Council) are constantly in competitive recognition struggles.

As accreditation discrimination of the type discussed herein continues institutions will see more and more frustrated graduates, colleges and universities more and more bitter and unmotivated faculty members, and student loan companies more and more defaults as students become disenchanted with private accreditation and its growing costs and lack of guarantee. Certainly, a doctoral graduate from a non-AACSB or non-regionally accredited school with an eye set on academia as a faculty or administrator will not be motivated to repay thousands of dollars in loans, and won’t be able to if accreditation discrimination of this sort prevents him or her from gaining full or well-paid employment opportunities to make a living and survive the tough economy of the 21<sup>st</sup> century. Colleges and schools that are AACSB or otherwise accredited and practicing such form of discrimination must become more flexible and recognize that quality and innovation are unique within agents and individuals. The example above of an ACBSP institution stating its minimum requirements as “PhD or DBA preferred, or ABD near completion considered from university accredited by AACSB, ACBSP or equivalent” is a better and more enlightening, more open-minded practice that recognizes that quality is not defined by a specific kind of accreditation or agency, and other colleges and universities engaged in accreditation discrimination should adapt this practice to begin change. While the AACSB and its accredited members have devised a program to for non-AACSB degree holders to meet AACSB criteria for

classification as an academically qualified (AQ) faculty member, this is not enough. The AACSB and its member institutions must collaborate to discourage the practice of accreditation discrimination by business schools and colleges and work with IACBE, ACBSP and other agencies in determining universally acceptable minimum standards.

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